

to meet these difficult challenges and to restore the vitality of our economy.

Mr. KYL. Madam President, I support H.R. 6867, the Unemployment Compensation Act of 2008. The unemployment level is high, it is increasing, and it is likely that this condition will prevail for many months. Thus, the need for this extension.

According to the Labor Department, claims for unemployment benefits have increased dramatically, last week reaching a 16-year high. The unemployment rate in October was 6.5 percent; last year the rate averaged 4.6 percent. The Federal Reserve also released estimates Wednesday that project the jobless rate will climb to between 7.1 percent and 7.6 percent next year.

As everyone knows, the economy has slowed dramatically. Retail and business spending has decreased. The next several months are projected to be a period of contraction. As long as the economy continues to struggle, the people of Arizona and the rest of our country will face difficult job prospects, given the limited number and types of jobs available.

This dramatic downturn in the economy and surge in unemployment convinced me to support this extension of unemployment coverage. But this step simply treats a symptom of the bad economy; it is not a solution. We must try to take steps to improve the economy and, thus, create new jobs. As I have said in the past, I do not believe an extension or expansion of Federal unemployment benefits stimulates the economy. In fact, most economists believe that continual, temporary extension of unemployment benefits has little effect on the economy, and, in some circumstances, actually lengthens the time individuals remain unemployed because of the incentive to remain on unemployment insurance.

Accordingly, I support this extension with a steadfast commitment to work to pass pro-growth measures that will actually help the economy recover and create new jobs. In the long run, people would rather have a job than have to take unemployment insurance; and, at some point, it will have to end.

What can we do immediately to help Americans get back to work? First, we must maintain existing tax rates. During an economic downturn, the last thing Government should do is take more money out of the economy by increasing taxes. Everyone benefits when lower tax rates enable businesses and entrepreneurs to expand and create more jobs.

When Congress returns to Washington, its first priority should be to reassure taxpayers that taxes will remain low by maintaining existing income-tax rates, marriage penalty relief, current rates on capital gains and dividend income, and relief from the death tax. Under existing law, the tax relief enacted in 2001 and 2003 will expire after 2010. Extending current tax rates now would give individuals and small businesses the certainty they

need to plan their family budgets and permit small businesses to make critical long-term investments in our Nation's economy that will increase job growth now and in the future.

Unless the tax relief is extended, 43 million working families with children will face a \$2,300 tax increase. Small businesses will see their taxes increase by an average of \$4,100. The death tax will rebound from zero in 2010 to a whopping 55 percent. The tax on capital gains will increase 33 percent, and the dividend tax rate will increase an astounding 164 percent, affecting 18 million senior citizens who will see their taxes rise by an average of \$2,200. We shouldn't be asking Americans to pay out more of their hard-earned money at a time when they need it most; but if Congress doesn't act, we will be asking exactly that.

The current economic downturn has also affected the Nation's investors, especially seniors who rely on their investments for their income. We need to continue to encourage responsible savings and investment, and one of the things we should do to ensure savings is to allow unlimited contributions to retirement accounts such as 401(k)s and IRAs. We should also raise the age at which holders of tax-deferred retirement savings accounts must begin making minimum required annual withdrawals. I believe that Congress will likely suspend the mandatory withdrawal rules for one year. While that is a positive step, a more permanent measure would provide certainty to seniors.

The United States also needs to improve its competitiveness. We need to encourage trade between our country and others, and we need to enact, as soon as possible, the Colombia, Panama, and South Korea free trade agreements. We also need to stop taxing overseas corporate income and decrease our corporate tax rate—let's not provide additional reasons for valuable companies here in the U.S. to move all their operations overseas.

The United States has the second highest corporate tax rate in the world. We can make the United States more attractive to foreign investment by reducing our own corporate tax rate, perhaps from its current rate of 35 percent to 25 percent.

I will vote for the unemployment extension today. But I am also calling on the President-elect and Congress to quickly pass measures that will actually help the economy to maintain and create jobs. I look forward to working with my colleagues toward such an end in the coming weeks.

Mr. LEVIN. Madam President, passing an unemployment insurance extension today is urgent. More than a million people have lost their jobs this year alone, and there are 10.1 million unemployed individuals. We must ensure that these individuals who have lost jobs and are looking for work, during a time when industries are cutting jobs and the price of food and other ne-

cessities is rising, are not also struggling to put food on their table, pay their utility bills, and provide shelter for their families.

During economic downturns in the past, we have always provided longer periods of unemployment benefits. The bill that I hope we pass today will provide a much needed unemployment insurance extension. This extension would ensure that out of work Americans in high unemployment States like Michigan will receive an additional 20 weeks of insurance, for a total of up to 59 weeks.

In October, Michigan's unemployment rate increased from 8.7 percent to 9.3 percent, the highest unemployment rate since July 1992. The Nation's unemployment rate also increased to 6.5 percent. These are very hard economic times. Unemployment rates are rising dramatically, and since January 2001 we have lost 3.7 million manufacturing jobs nationally and more than 250,000 manufacturing jobs in Michigan. There are currently 429,000 unemployed people in Michigan. Between August 2007 and July 2008, the long-term unemployed—those who have been unemployed and looking for a job for 27 weeks or more—comprise about 27 percent of the total unemployed in Michigan. This is approximately, 100,000 unemployed persons.

The numbers of unemployed are rising all over the country. We must do something now to protect American workers and their families.

• Mrs. LINCOLN. Madam President, I regret that I will be unable to be present for today's vote on the Unemployment Compensation Extension Act, H.R. 6867, due to a hunger awareness event previously scheduled in Arkansas. If I were present for the vote, I would vote to support this important piece of legislation as I did in June when the Senate passed a 13-week unemployment insurance extension as part of the Supplemental Appropriations Act of 2008, Public Law 110-252. •

The PRESIDING OFFICER. Under the previous order, the question is on third reading and passage of the bill.

The bill (H.R. 6867) was ordered to a third reading, was read the third time, and passed.

ADVANCING AMERICA'S PRIORITIES ACT—MOTION TO PROCEED—Resumed

Mr. REID. Madam President, I now move to proceed to Calendar No. 894, S. 3297.

The PRESIDING OFFICER. The motion is now pending.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that we now proceed to a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.